

Markey Statement on Pallone-Markey-Inslee Amendment

Mr. Chairman, I rise in support of the Pallone-Markey-Inslee amendment to strike this language.

The Republican legislation would essentially bribe states to opt-out of the drilling moratorium. The Republicans are in the process of attempting to adopt a budget which starves the states of Medicaid and other support, and then suggesting to the states that they will be rewarded if they abandon the environmental protections of their fishing grounds, beaches and coastal waters. They want to turn a **moratorium into a maybe-torium**.

Maybe states will decide to protect the waters off their coasts, or maybe they won't.

Maybe states will find that their neighboring states share the same priorities to keep their coastlines free from oil and gas drilling or maybe they won't."

The OCS provision in the budget bill has not even been scored by the Congressional Budget Office. This legislation uses a complicated formula to direct about 40 percent of the revenue generated from the leases on the OCS to those states that have decided to opt-out of the moratoria, in an attempt to entice states to opt-out. It could ultimately end up costing the federal government billions of dollars.

The revenue generated from federal offshore oil and gas leases is one of the federal government's largest sources of non-tax income. The Minerals Management Service projects that currently permitted OCS leasing in 2006 will generate over \$7.1 billion dollars in federal revenue and over \$35 billion from 2006-2010.

This legislation will eventually allow states that currently have OCS drilling off their shores in the Gulf of Mexico to "opt-out" and receive 40 percent of that \$7 billion a year that is currently going to the federal treasury.

This legislation, as drafted, could therefore eventually become a massive drain on federal funds, potentially diverting billions of dollars in what is currently federal revenue to the states.

I urge adoption of the Pallone-Markey-Inslee amendment.